

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	
Determination and posting of maximum and	:	
estimated "Alternative Compliance Payment"	:	
rates associated with the Public Utilities Act's	:	09-0342
new Section 16-115D "Renewable portfolio	:	
standard for alternative retail electric	:	
suppliers and electric utilities operating	:	
outside their service territories," established	:	
by Public Act 96-0033 (SB 1918 enrolled)	:	

ORDER

By the Commission:

On July 10, 2009, the Governor signed into law Public Act 96-0033 (SB 1918 enrolled), which went into effect immediately. This law makes several revisions to the Public Utilities Act, including the creation of a new Section 16-115D "Renewable portfolio standard for alternative retail electric suppliers and electric utilities operating outside their service territories." (220 ILCS 5/16-115D) The new Section requires both alternative retail electric suppliers and electric utilities operating outside their service territories (referred to collectively herein as "Alternative Suppliers") to procure renewable energy resources in amounts at least equal to the annual percentages set forth in item (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act times the actual amount of metered electricity delivered by the Alternative Suppliers during each 12-month period June 1 through May 31, commencing June 1, 2009. However, Section 16-115D(b) also requires Alternative Suppliers to meet at least 50% of their renewable quota through alternative compliance payments ("ACPs"). (220 ILCS 5/16-115D(b))

In order for Alternative Suppliers to plan for and ultimately make their alternative compliance payments, the law requires the Commission to establish and post ACP rates, which are to be computed based on formulas set forth in Section 16-115D(d)(1). (220 ILCS 5/16-115D(d)(1)) More specifically, new Section 16-115D requires three types of calculations to be established and posted to the ICC web site for each June-May compliance period. First, within five days of entering an order in an annual Section 16-111.5 procurement plan proceeding, the Commission is required to post **maximum** ACP rates, for each applicable utility service territory, equal to the maximum allowable rate increase due to the costs of the utility's purchase of renewable energy resources. Second, within ten days of each renewable energy resource procurement event that is held pursuant to those plans, the Commission must post **estimates** of the actual ACP rates that it expects will ultimately prevail. Finally, by the July 1 following each pro-

curement plan period, the Commission must post the **actual** ACP rates, which are set equal to the total amount of dollars for which the utility contracted to spend on renewable resources for the compliance period divided by the forecasted load of eligible retail customers, at the customers' meters, as previously established in the Commission-approved procurement plan for that compliance year. (220 ILCS 5/16-115D(d)(1))

Had Section 16-115D been in effect when the Commission entered its January 7, 2009 Order in the most recent procurement plan case (Docket 08-0519), the Commission would have established and posted at that time the applicable maximum ACP rates and would have established the forecasted load of eligible retail customers, at the customers' meters, for the June 2009 to May 2010 plan year. Similarly, had Section 16-115D been in effect when the spring 2009 renewable energy resource procurement events took place, the Commission would have established and posted at that time the estimated ACP rates. However, since Section 16-115D became effective as of July 10, 2009, the Commission believes it is appropriate to provide these and related figures at this time.

In a Staff Report dated July 13, 2009, supported by the sworn and notarized affidavit of Richard J. Zuraski, a Senior Economist within the Commission's Energy Division, the Staff presents the data and makes the computations necessary for the Commission to present its calculations of the current maximum and estimated ACP rates for the June 2009 to May 2010 compliance period. Primarily, the Staff Report recommends that these data and the results of the Staff's computations of maximum and estimated ACP rates be approved by the Commission and posted to the ICC web site.

The Commission is satisfied with the analysis set forth in the Staff Report and accepts the Staff recommendations with respect to: the establishment of the maximum ACP rates for the June 2009 to May 2010 plan year; the forecasted load of eligible retail customers for purposes of computing actual ACP rates; the results of the spring 2009 procurements of renewable energy credits; the establishment of current estimates of the ACP rates for the June 2009 to May 2010 plan year; the date by which the Commission shall post the actual ACP rates for the June 2009 to May 2010 plan year; and the rounding of ACP rates to the nearest ten-hundredths of a cent per kilowatt-hour.

The Commission, being fully advised in the premises, is of the opinion and finds that:

- (1) the Commission has jurisdiction over the subject matter of this proceeding;
- (2) the Staff Report dated July 13, 2009 should be made a part of the record of this proceeding;
- (3) the recitals of fact set forth in the prefatory portion of this order are supported by the record, which consists of the Staff Report and the sworn and

notarized affidavit of Richard J. Zuraski, and are hereby adopted as findings of fact;

- (4) Central Illinois Light Company d/b/a AmerenCILCO, Central Illinois Public Service Company d/b/a AmerenCIPS and Illinois Power Company d/b/a AmerenIP (together the “Ameren Illinois Utilities” or “AIU”) and Commonwealth Edison Company (“ComEd”) are electric utilities that are subject to subsection (c) of Section 1-75 of the Illinois Power Agency Act;
- (5) new Section 16-115D of the Public Utilities Act (220 ILCS 5/16-115D) requires the Commission to post maximum, estimated, and actual alternative compliance payment (“ACP”) rates for the service territories of each electric utility that is subject to subsection (c) of Section 1-75 of the Illinois Power Agency Act (20 ILCS 3855/1-75);
- (6) it is reasonable and appropriate to round ACP rates to the nearest ten-hundredths of a cent per kilowatt-hour (i.e., four decimal places);
- (7) for June 2009 to May 2010, the maximum ACP rates, as defined in Section 16-115D of the Public Utilities Act, have been appropriately established to be 0.0938 cents per kilowatt-hour for AIU and 0.1007 cents per kilowatt-hour for ComEd;
- (8) for June 2009 to May 2010, the forecasted load of eligible retail customers, at the customers' meters, for purposes of computing ACP rates, has been appropriately established to be 17,700,273,734 kilowatt-hours for AIU and 39,469,951,534 for ComEd;
- (9) based on the results of the spring 2009 procurements of renewable energy credits (“RECs”), through which supplies were secured for 100% of the utilities’ REC requirements for the June 2009 to May 2010 plan year, the total amount of dollars expected to be spent on renewable resources during this period is \$11,420,450 for AIU and \$30,147,973 for ComEd;
- (10) based on the finding in paragraphs 7 and 8, above, it is reasonable to estimate that the actual ACP rates for the June 2009 to May 2010 plan year will be 0.0645 for AIU and 0.0764 for ComEd; and
- (11) new Section 16-115D of the Public Utilities Act requires the Commission to post actual ACP rates for the June 2009 to May 2010 plan year on or before July 1, 2010.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that, pursuant to Section 16-115D of the Public Utilities Act, for the June 2009 to May 2010 compliance period, the maximum ACP rates shall be 0.0938 cents per kilowatt-hour for

the service territories of AIU and 0.1007 cents per kilowatt-hour for the service territory of ComEd.

IT IS FURTHER ORDERED that, until and unless modified by the Commission, the Commission's current estimates of the actual ACP rates shall be 0.0645 for AIU and 0.0764 for ComEd.

IT IS FURTHER ORDERED that, pursuant to Section 16-115D of the Public Utilities Act, for June 2009 to May 2010, the forecasted load of eligible retail customers, at the customers' meters, for purposes of computing actual ACP rates, shall be 17,700,273,734 kilowatt-hours for AIU and 39,469,951,534 for ComEd.

IT IS FURTHER ORDERED that, within five business days of the date of this Order, the Staff of the Commission shall post to the Commission's web site the above-established maximum ACP rates, estimated ACP rates, and forecasted load of eligible retail customers at the customers' meters.

IT IS FURTHER ORDERED that the Staff Report dated July 13, 2009 is made a part of the record in this proceeding.

IT IS FURTHER ORDERED that a copy of this Order be served upon each electric utility and each certificated alternative retail electric supplier within Illinois, and the Attorney General of the State of Illinois.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 29th day of July, 2009.

(SIGNED) Charles E. Box

Chairman